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I. Organization of the Economic Branch, D/EK

The Branch contains seven functional sections (Minerals and Metals, Chemicals and Rubber, etc.), each of which covers its subject for the entire geographic area within the Branch's area of responsibility. In the preparation of country studies, the Area Analysis Group gathers, collates, and analyzes intelligence produced by the functional sections. (Organization Charts are attached hereto).

II.

A. Statement of Mission

The Economic Branch, D/EK, is charged with the primary responsibility for evaluation of intelligence information, and the production and presentation of intelligence reports on economic situations within the boundaries of the USSR, Outer Mongolia, the Free Territory of Trieste and the eight countries designated as Eastern Europe: Finland, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Yugoslavia, and Albania, which bear on the national security of the United States.

"Economic situations" within these geographic areas is interpreted to include all factors and measures which affect the national economy and the basic economic potential of a country; and, in addition, is construed to embrace those factors which indicate economic mobilization for war or other courses of action bearing on US national security interests.

The Branch has a secondary interest in economic situations in other countries whose economies are closely linked with the countries listed above, by reason of military occupation, treaty rights, commercial

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agreements and trade, financial controls, special spheres of influence or other causes. Reports having reference to countries in which the Branch has a secondary interest are prepared in cooperation with the Division having primary responsibility.

The Branch formulates requirements for the collection and processing of information necessary to the accomplishment of its mission as outlined above.

B. The Mission in Relation to the CIA Statement of "Foreign Economic Intelligence Requirements Relating to the National Security"

1. Economic Information

The Branch prepares both continuing and special requirements for the collection and processing of information necessary to the fulfillment of its mission. In addition, it evaluates the performance of collecting and processing facilities.

2. Basic Economic Studies

The Branch devotes a major portion of its effort to basic economic research. The paucity of detailed and meaningful economic intelligence on this geographic area requires that basic studies be prepared by the Branch to provide the necessary point of departure for intelligence estimates. This research, (involving country studies, commodity studies, and functional studies, attempts to utilize all available sources. Much of the intelligence is of common concern to other agencies, consequently the Branch draws on and furnishes assistance to many other agencies in this research program. The priority of these studies within the broad

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requirements for economic intelligence is determined by the mission of the Branch and the needs of its customers.

3. Operational Economic Intelligence in Support of Specific US Measures and Courses of Action

The Branch has confined its operational economic intelligence largely to that required for support of OPC and SO. In addition, intelligence has been provided to support operations in cases where no other agency has adequately undertaken the responsibility. The most important single case has been that involving intelligence necessary to support the export control program.

4. Estimates Designed to Serve Predominantly as a Basis for National Planning and Policy Decisions

Within this category the Branch is directly concerned with the following categories of intelligence:

a. Estimates and analysis of economic capabilities

(1) Capabilities to achieve or maintain economic stability and to effect economic development.

(2) Capabilities to wage economic warfare against or render economic assistance to other countries.

(3) Economic capabilities to carry on military or para-military operations. (This includes subsections (1), (2), and (3) of the Requirements paper). The Branch is responsible for coordinating intelligence concerning logistics and economic problems relating to occupation, (4) and (5), in the preparation of national intelligence estimates, but the primary responsibility for the preparation of such estimates rests with

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other departments. The military-economic aspects of (1), (2), and (3) are worked out jointly with the Department of Defense.

b. Estimates and analyses of economic vulnerability

It is the responsibility of the Branch to estimate the vulnerability of the economy to economic measures but it is not primarily concerned with a determination of economic vulnerability to political and military measures. The Branch does, however, provide a coordination mechanism in the form of Ad Hoc Committees for the exchange of economic intelligence of common concern to estimates of economic vulnerability to all kinds of measures. In addition the Branch coordinates intelligence on economic vulnerability prepared in other agencies in order to make national intelligence estimates.

c. Analysis of indications of military, political or economic intentions

The Branch examines on a continuing basis current economic developments to detect: (1) intentions relative to military activity and to measures designed to strengthen economic-military capabilities; (2) intentions relative to political or economic measures designed to strengthen, weaken, or utilize the capabilities of other areas.

d. Analysis of the effect of internal developments on the economic capabilities and the economic stability of the area

e. Analysis of the effects of developments in other areas on the economy of the area assigned to the Branch

f. Analysis of the effect on US security of economic developments in the area

g. Estimates of the economic consequences in the area of US policies and courses of action

C. Function of the Sections

Each Section, in supporting the mission of the Branch, formulates requirements for the collection of intelligence information from the IAC agencies and other government offices. This information is analyzed, evaluated, synthesized, interpreted and presented in reports for publication and distribution. These reports will include factors and measures, relating to each section's field of interest, which affect the national economy, determine the basic economic potential for war and indicate economic mobilization for war or other important courses of action.

Each section to properly perform its functions and assume its obligations will:

1. Make recommendations regarding programming of production and requirements.
2. Assemble such basic economic data as will permit it to properly evaluate the importance and accuracy of current information.
3. Closely cooperate with the Industrial, Biographic and Graphic Register Units and the Library of the Office of Collection and Dissemination.
4. Represent the Division and/or Branch in conferences dealing with agriculture and manpower problems.
5. Maintain liaison with the appropriate sections of CIA and other government offices.
6. Establish an Ad Hoc Committee of representatives of the IAC agencies to study and report upon specified subjects.
7. Maintain liaison with such commercial and professional associations and educational institutions as may be of assistance.